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1981/06/03



DEPARTMENT OF STATE

BRIEFING MEMORANDUM

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SECRET

TO:

The Secretary

FROM:

EA - John H. Holdridge

SUBJECT:

Your Meeting with Chinese Communist Party

Vice Chairman Deng Xiaoping

I. SUMMARY

Your meeting with Vice Chairman Deng Xiaoping will be your most authoritative exchange in Beijing. You should discuss with him US policy initiatives aimed at establishing a "strategic associate" relationship with China through an enhanced strategic dialogue and improved Chinese access to American civilian and military technology. Deng will provide the Chinese responses on questions such as Kampuchea and Afghanistan, which you will have raised with Foreign Minister Huang. The most sensitive issue in your meeting with Deng will be Taiwan, and it is with him that you will have to discuss the parameters of future policy and practice on both sides.

II. <u>SETTING</u>

During your visit, the collegiality of China's leadership system will be heightened by the atmosphere surrounding the Party's Sixth Plenum — which will be going on or about to convene. Nevertheless, Deng, as "first among equals," has the power and authority either to reject your overtures for a new beginning to US-China relations, or argue persuasively in Party councils that they be accepted. Your task — begun in your meetings with Foreign Minister Huang Hua — will be to convince Deng that the new US strategic resolve vis-a-vis the Soviet Union, and associated with this, our initiatives aimed at enhancing the strategic component of the US-China relationship, are important enough to argue for continued Chinese forebearance on Taiwan issues in our bilateral relations.

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III. <u>ISSUES</u>

- l. Convey our Determination to Counter Soviets: You will want to underline US resolve vis-a-vis Soviet and Soviet-proxy expansionism and assure Deng that President Reagan fully appreciates China's strategic importance to the US and our allies. Since you will have outlined our new Southwest and Southeast Asian policies to Foreign Minister Huang, you should expect that Deng will be prepared to discuss ways to coordinate our respective policies toward these areas.
- 2. You will want to impress Deng with our commitment to restore momentum to our relationship through a visit by Premier Zhao to Washington, resumption and expansion of strategic and other consultative ties, a loosening of export controls on civilian and military technology, and a series of cabinet-level visits
- 3. Taiwan will be the most sensitive issue in your meeting. You should reassure Deng that the Administration intends to respect the normalization agreement regarding the unofficiality of our dealings with the people of Taiwan. Your goal is to reach a modus vivendi, i.e. "an agreement to disagree" on the arms sales issue, by signaling our sensitivity to Chinese concerns over timing and substance. Deng will hit you hard with the argument that US arms sales to Taiwan undercut the Chinese attempt to engage the Taiwan leaders in a dialogue over reunification. On arms sales and other Taiwan questions generally, you should indicate our intention to proceed prudently, while pressing Deng to exercise maximum restraint in the public handling of these issues by the Chinese.